

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

FTX TRADING LTD., *et al.*,¹

Debtors.

Chapter 11

Case No. 22-11068 (JTD)

(Jointly Administered)

Hearing Date: January 25, 2024 at 10:00 a.m. (ET)

Obj. Deadline: January 11, 2024 at 4:00 p.m. (ET)

**OBJECTION AND RESERVATION OF RIGHTS OF AUROS TECH LIMITED TO
MOTION OF DEBTORS TO ESTIMATE CLAIMS BASED ON DIGITAL ASSETS**

Auros Tech Limited (“Auros”), by and through its undersigned counsel, hereby submits this Objection and Reservation of Rights (“Objection”) to the *Motion of the Debtors to Estimate Claims Based on Digital Assets* [D.I. 5202] (the “Estimation Motion”). In support of the Objection, Auros relies on the attached **Exhibit A**, *Declaration of Benjamin Roth in Support of the Objection* (“Roth Declaration”) as if incorporated herein, and avers as follows:

1. Auros is an algorithmic trading and market making firm operating in the digital asset markets. Auros has a team of seventy (70) people spread across all major time zones operating the Auros trading algorithms 24/7/365.

2. Auros transacts billions of dollars per day across all major cryptocurrency exchanges and represents a significant percentage of total daily trading volume. Auros was consistently listed on the FTX volume leaderboard and regularly transacted hundreds of millions of dollars per day at FTX across more than 150 different spot and derivative instruments.

¹ The last four digits of FTX Trading Ltd.’s tax identification number are 3288. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

3. Auros was a customer of FTX for several years and had over 1,500 spots and futures open positions in its main and sub accounts at the time the exchange filed for bankruptcy.

4. Auros objects to the relief requested in the Motion because of the manner in which the Debtors have valued and settled the futures contracts as set forth in the Motion. By suspending trading and settling all open derivative contracts, the Debtors have essentially created an accelerated settlement and de-listing event for all derivative instruments on the exchange.

5. There is substantial precedent in traditional markets, crypto markets and importantly, on the FTX exchange itself, that dictates how the settlement process should work in such circumstances and the pricing source that open contracts should reference for this settlement.

6. As set forth in the Roth Declaration, the methodology adopted by the Debtors is at odds with best practice for derivative settlement across the crypto industry (as well as all traditional asset classes), is entirely inconsistent with the methodology used by FTX in all previous cases of accelerated settlement and de-listing, and results in a very large, incorrect and wholly inequitable value transfer amongst customers who owned open positions in the affected derivatives of the exchange.

7. Thus, Auros proposes that all futures contracts (Perpetual and Conventional) must be settled at the same price that all spot instruments are being valued and settled at petition time. This is a simple, garden-variety accelerated settlement and de-listing event, with substantial precedent, so the same rules must apply as they do to any other settlement event and derivatives prices must converge to their underlying Spot Index at the time of settlement.

8. Auros avers that this is the only sensible methodology to use in these bankruptcy cases and as it relates to the Motion, and that it is consistent with how all major crypto exchanges,

and most importantly FTX themselves, have handled accelerated settlement and de-listing in the past.

9. Auros reserves any and all rights to amend, supplement, and/or otherwise modify its Objection and to assert any and all other rights and objections at the hearing on the Estimation Motion.

WHEREFORE, Auros respectfully requests that this Court deny the Debtors' Estimation Motion for the reasons set forth herein, and grant such other and further relief as is just and proper.

BIELLI & KLAUDER, LLC

Dated: January 11, 2024
Wilmington, Delaware

/s/ Ryan M. Ernst

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